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GENERAL

1. French and Dutch views on European defense—US Minister Bohlen in Paris expresses the view that the French National Assembly debate on German rearmament will close with a large majority approving the Cabinet's proposal favoring closely integrated European defense forces, including German units, and greater economic unity. Bohlen reports that Daniel Mayer, Socialist party spokesman in the coming debate and hitherto regarded as one of those most opposed to German rearmament, will speak in favor of the government's policy. The Popular Republican Movement (MRP) is taking the same stand, though it may try to introduce a condition to keep German units to the regimental level.

US Ambassador Chapin in the Hague reports that although he is convinced the majority of the Dutch people and officials continue to favor German rearmament, there is some "cooling of enthusiasm" for the program, Chapin feels this is only natural as progress is made toward actual rearmament of Germany and quotes a Dutch Foreign Office spokesman as saying: "It is one thing to favor German rearmament in principle, but witnessing the real thing inevitably gives rise to misgivings."

Meanwhile, the Secretary General of the Netherlands Foreign Office has expressed to Chapin the deep concern of the Netherlands Government because French Premier Pleven's speech before Parliament seemed to envisage a European army on lines quite contrary to present NATO thinking. The Dutch official expects strong pressure from the French Government in regard to the French proposal.

EUROPE

2. AUSTRIA: <u>USSR interferes with police</u>—US High Commissioner Donnelly in Vienna reports that the Soviet commandant there has ordered the head of the Viennese police to refrain from

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carrying out what is regarded as the first major attempt of the Austrian Government to rid the police of Communists. Implementing an Austrian Cabinet decision, the Interior Ministry on 20 October dismissed the Communist police chiefs of three Vienna districts (all in the Soviet sector) and transferred another to the French zone of Austria. The Austrian action was taken following a resolution by the Viennese criminal police refusing obedience to the Communist chief of the Vienna economic police. The Ministry of the Interior, prior to its action against the Communist police chiefs, stated that police officials who refuse to vacate their offices will be considered "agents of a foreign power" unauthorized to perform official functions and subject to punishment under Austrian law. The Austrian Government has protested the Soviet obstruction of the dismissals to the Allied Council, and will attempt to arrest the dismissed officers, who are remaining at their posts. The three Western elements of the Allied Council have agreed to refer the protest to the internal affairs directorate for discussion on 30 October.

(CIA Comment: The present difficulty regarding the Austrian Government's jurisdiction over its police force may become more serious than any similar trouble in the past because: (a) the USSR will probably continue to insist that these Communist police officials be retained in office; and (b) the Austrian Government will proceed with attempts to purge or neutralize the Communists in the Vienna police.)

FAR EAST

3. INDOCHINA: French hint need for Western troops—US Consulate Hanoi reports that in the course of an official dinner for the Juin–Letourneau mission, a high-ranking mission member asked both the UK and US Consuls in a "half-joking, half-serious" manner

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whether their governments would furnish troops for Indochina. When the UK Consul parried the query by saying that no such request had been made of his government, the French official replied: "It's high time to stop this false pride, where we won't ask and you won't offer: we need troops." Consulate Hanoi comments that it was evident the French official was not joking and speculates that the French official doubted that the request for reinforcements from France "would prosper."

Vietnamese laud UN--US Legation Saigon reports that the large publicity campaign for the UN launched by the Vietnamese Government since the return of Premier Huu has caused speculation that the Vietnamese may attempt to bring their controversies with the French to the attention of the UN. The Legation expresses the opinion that the varied activities scheduled to celebrate United Nations Day were designed to dramatize Vietnam's aspirations to "the rights of full membership in the community of nations." The Legation comments that the Vietnamese actions may also be a means of exerting pressure on the French at a time when the Indochina question is before the French National Assembly and the Juin-Letourneau mission is conducting a politico-military survey of Vietnam.

Huu's criticism of French inspires Vietnamese--US
Minister Heath reports, after returning from a visit to Bao
Dai's headquarters at Dalat, that the resort was apparently the
scene of intense political activity, and that Premier Huu's
statement regarding French intransigence at the Pau Conference
has had an "electric effect" on the Vietnamese. Heath comments that Huu's statement has considerably enhanced his prestige in the eyes of the Vietnamese, whose "summer-long search"
for encouraging news from Pau had "met with little success."

TOP SECRET

4. INDONESIA: Progress of Ambon fighting--US Military Attache Jakarta forwards a report from the Indonesian Defense Ministry regarding the relative strength of the Ambonese rebels and the government forces fighting on Ambon. Rebel strength on the island is estimated at 2,500 well-armed and well-led ex-Netherlands Indies Army regulars, reinforced by some 2-3,000 irregulars. To date, the Indonesian Government has landed 6,000 troops, reinforced with light artillery and supported by four corvettes and five reconnaissance aircraft. In the Military Attache's opinion, present government forces are capable of containing the rebels and, if reinforced, could "successfully close the operation" within three weeks. The Attache adds, however, that sensitive conditions in central Java and south Celebes may prevent the required buildup, in which case rebel resistance probably could be prolonged for several months.

British to approach Indonesians on Ambon question—US Embassy London reports that the British Ambassador in Jakarta has been instructed, at his discretion, to emphasize to the Indonesian Government the desirability of making some gesture which would enable the United Nations Commission for Indonesia (UNCI) to withdraw its report referring the Ambon dispute to the UN Security Council. The British Foreign Office considers that at least implicit censure of Indonesia will be difficult to avoid if the UNCI report on Ambon comes before the SC.

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